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TAGS: OVIP BUSH GEORGE PREL PGOV ECON UY

SUBJECT: POTUS VISIT TO URUGUAY A RESOUNDING SUCCESS

REF: MONTEVIDEO 00189

Classified By: Ambassador Frank Baxter, for reasons 1.4(b) and (d).

11. (SBU) Summary: President Bush's March 9-11 visit to Uruguay was overwhelmingly positive for our bilateral relations and we believe very successful in spreading the message that the U.S. favors good relations with governments in the region that respect democracy, the rule of law and human rights, regardless of their political label. The overall atmosphere of the visit was friendly and relaxed. Many senior GOU officials told us that the President had "charmed them" with his personal warmth and sincerity. Of particular note was AgMinister Jose "Pepe" Mujica (a former Tupamaro guerrilla) who publicly said that "Uruguay is better off than it was before this encounter." Most local analysts judge the benefits to Uruguay to be more political than $% \left(x\right) =\left(x\right) +\left(x\right) +\left($ economic, though there remain wide expectations that the POTUS visit will eventually accrue commercial benefits as well. To some extent the Uruguayans were simply flattered and honored that the President of the United States and his high-level delegation would visit a small country such as Uruguay. President Bush's offer to Vazquez to "call me if you need help" received wide press coverage, in part because it was subject to speculation as to what the offer could mean. End Summary.

Atmospherics

12. (U) On March 9, crowds of mostly well-wishers greeted President Bush's motorcade along the coastal highway known as the Rambla. The President was unaffected by two protests that took place earlier in the evening. One of these became violent when an estimated 500 persons smashed windows in a downtown area. The Uruguayan public reacted quite negatively to these acts of violence, which they thought were fomented by foreign elements. The other peaceful demonstration of about 5,000 persons took place several blocks away without incident. Both groups were kept well away from the President's hotel.

- $\P 3$. (U) On March 10, the main events were characterized by fine weather and a relaxed friendly atmosphere. At the Anchorena Ranch it was evident that both leaders had ample time together to deepen their friendship and discuss important issues in private. The mood was easygoing, harmomious and casual. President Bush charmed his guests at the Ambassador's residence that evening.
- $\underline{\P}4$. (U) Press reaction to the visit was generally favorable and reporting in both the broadcast and print media largely mirrored the sunny weather experienced during the three days. A positive and clear image for Uruguay came through as well in the international media , i.e. that Uruguay is different, that Uruguay is important, and that Uruguay plays a larger role in the region than its size would indicate as a model of good governance. Both leaders publicly steered clear of controversial topics such as the pulp mill dispute Uruguay has with Argentina or the perceived role of President Chavez in the region.

Mrs. Laura Bush

15. (U) Mrs. Bush and the Uruguayan First Lady, Mrs. Delgado de Vazquez, toured a nearby historic site and were well received by the public. The two First Ladies walked the preserved 18th-century streets of Colonia de Sacramento, a UNESCO World Heritage Site located about 15 miles from the Anchorena Ranch. Several small crowds of 50 to 100 people applauded the First Ladies three times during the 40-minute visit, and press coverage of the tour was extremely positive. Mrs. Bush's visit to Colonia with Mrs. Vazquez lent a widely appreciated human touch to the visit, as $di\bar{d}$ the President and Mrs. Bush's impromptu dinner at a local restaurant in

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Montevideo, where they were again applauded by the diners present.

Substantive Issues

- 16. (SBU) To a large degree the POTUS visit in itself was the deliverable. The juxtaposition with other events occurring in the region at the same time (notably Chavez' bombastic rally in Buenos Aires) was stark. The agenda was wide open and free-ranging - really a conversation between friends. The Presidents had a couple of opportunities to meet alone - once for 45 minutes and again for an hour on a boat--and every press photo of them shows a friendship between the two that we believe to be genuine and heart-felt. It is important to see this meeting as a noteworthy step in a long relationship, not as the beginning or an end of anything.
- $\P7$. (SBU) The leaders and their principals discussed trade, education exchanges, immigration policy, biofuels, and challenges in the region. Both sides were optimistic about deepening the trade relationship and expect to have the first meeting of the new TIFA Council in April in Washington. President Vazquez mentioned his hope that our countries could cooperate in science, and it is likely that the second draft of a Science and Technology Agreement can be delivered here before the end of the month. For years the GOU has hoped to sell citrus, lamb and blueberries to the U.S., and the GOU is optimistic that there can be movement on lamb and blueberries very soon. In the area of exchanges, we see that there is a window to increase academic exchanges and English language programs.

Comment:

 $\underline{\$}8.$ (C) While it is too early to tell what impact the POTUS visit may have on the political contradictions within the Frente Amplio Government, my initial impression is that it helped to bolster the moderates on Vazquez' team. Vazquez took a bold step by openly embracing President Bush and he had to display considerable courage by publicly thanking him for the \$1.5 billion bridge loan that the U.S. provided to Uruguay in the darkest hour of the 1999-2003 financial crisis. Though many of the radicals were displeased by these gestures, we do not see a high political cost attached to them at this time -- in part because Vazquez "paid the Left in advance" during his three-hour speech eulogizing the Frente Amplio on March 2. From the Embassy perspective, we are pleased that the partnership and friendship have been solidified at the highest levels. It is important that people in the region understand that the U.S. is not concerned with labels - socialist, leftist, progressive - but that we want to work with those who want to work with us. I also wish to extend our deep gratitude to the very professional and courteous members of the White House team, particularly Therese Burch and members of the Secret Service, who made this historical encounter such a resounding success. End Comment.

Baxter